

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

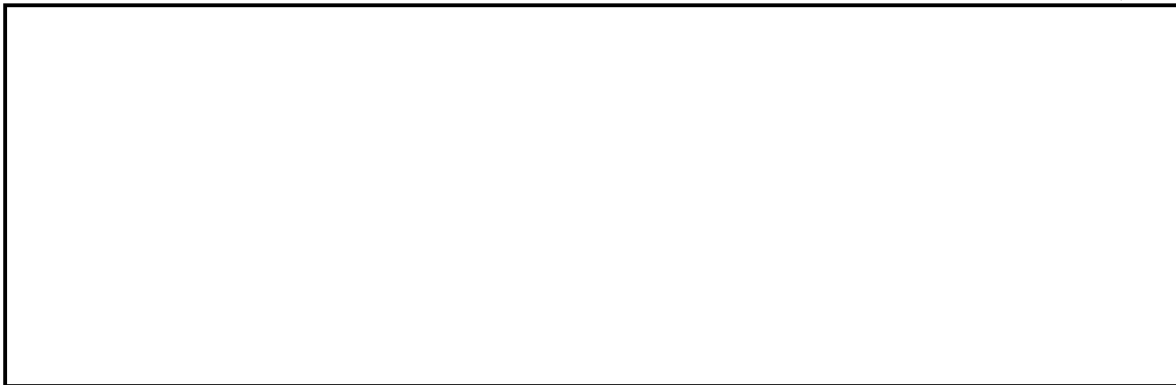
8 December 1981

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM : Henry S. Rowen  
Chairman, National Intelligence Council

SUBJECT : Foreign Industrial Challenges

1. Your forthcoming meeting with the President's Economic Policy Advisory Board on Thursday has caused me to think harder about what we should be doing on the subject of the competitiveness of US industry. I have been a slow learner on this subject, but reflecting on Bruce Scott's paper on this subject (which you have seen) finally made me realize what is needed.

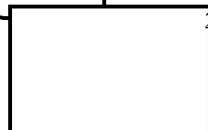


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4. This approach is compatible with present NFAC plans for expanded work on key industrial sectors (e.g., telecommunications, microelectronics, computers, robotics, commercial aircraft, etc.), but there probably would be some important differences in the work program, and there might be some implications on how we organize to do this work. What I am suggesting goes beyond the analysis of technology trends, market prospects, productivity growth, demographics and the like



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[redacted]  
[redacted] The people who have this kind of expertise are largely located in industry and in certain consulting organizations that work for them (e.g., the Boston Consulting Group, among others), plus a small number of academics such as Scott.

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5. A focal point for such a strategic perspective already exists in NFAC (in [redacted] division), but it will take time for this unit to become properly staffed and sufficiently familiar with this kind of analysis.

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6. Therefore, in order to move ahead as rapidly as I think you want, NFAC will probably have to make more extensive use of outside firms and individuals than it usually does, at least at the outset.

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[redacted]

Henry S. Rowen

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